

AGENDA

Resort Improvement District No. 1 and Shelter Cove Sewer and Other Facilities Maintenance District No. 1 REGULAR BOARD MEETING

Location: Shelter Cove Fire Station Meeting Hall
9126 Shelter Cove Road, Shelter Cove, California
Date: August 15, 2019
Time: 9:00 a.m.
Posted: August 12, 2019

We welcome you to this meeting. Members of the Public may be heard on any business item on this Agenda before or during the Board's consideration of the item. The public may also directly address the Board on any item of interest to the public that is not on the Agenda during the public comment time; however, the Board generally cannot take action on an item not on the Agenda. The meeting room is wheelchair accessible. Accommodations and access to District board meetings for people with other handicaps must be requested of District staff at 707-986-7447 five (5) working days in advance of the meeting.

A person addressing the Board will be limited to five (5) minutes (Board Policy 5030) unless the Chairperson of the Board grants a longer period of time. While not required, we would appreciate it if you would identify yourself with your name and address when addressing the Board.

I. CALL TO ORDER

II. ROLL CALL

Susan Fox, President
 Michael Schad, Vice President
 Nanette Corley, Director
 David Sommer, Director
 Jack Hargrave, Director

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENT

Any member of the public may directly address the Board of Directors on a matter of public interest not on the Agenda but which is within the jurisdiction of the Board; however, the Board generally cannot take action on an item not on the Agenda. A person addressing the Board will be limited to five (5) minutes (Board Policy 5030) unless the chairperson of the Board grants a longer period of time.

V. CONSENT CALENDAR

All matters listed under the Consent Calendar are to be considered routine and without opposition. The Consent Calendar may be enacted by one motion. There will be no separate discussion of these items unless a Board member or the General Manager/designee requests that a specific item(s) be removed from the Consent Calendar for separate action. Any items so removed will be considered after the motion to approve the Consent Calendar. If a member of the public wants further discussion on any of these items, we would appreciate it if you make your request prior to the meeting.

1. Approve the Minutes of the July 18, 2019 Regular Board Meeting.
2. Approve Bills for Month of July 2019: Reports regarding payment of monthly operating bills for the District which are approved expenditures in the current budget.

VI. CORRESPONDENCE / DISCUSSION ITEMS

Items in this category may be discussed, and/or reports presented, but no action may be taken.

1. Sheriff's Office Report.

VII. BOARD MEMBER/STAFF REPORTS

The indicated individuals will report to the Board about various matters involving District departments. There will be no Board discussion except to ask questions or refer matters to staff. No action will be taken unless listed on subsequent agenda.

1. Directors' Reports/Comments.
2. Operational Status Report Re: Golf Course, Airport, Recreation, Water, Sewer, Electrical, Fire Department.

VIII. UNFINISHED BUSINESS

IX. ACTION ITEMS

All Agenda Action Items for discussion and possible action by the Board of Directors.

1. Clubhouse Rental Request: Abalone Hall Fee waiver for a Pioneer's Cribbage Tournament to Be Held on September 7th, 2019.
2. Review and Approve District Year-End Financial Statements for 2017-2018 Prepared by Anderson, Lucas, Sommerville and Borges, LLP
3. CalPERS Unbudgeted Fund Request for Part-time Employees.
4. Consider Authorizing Unbudgeted Expense for Power Pole Line Relocation from Shelter Cove Road to Hillside Drive.

5. Consider Unbudgeted Expense for Surveying Several Easements and RID Properties.
6. Consider Revisions to the Monthly Water and Sewer Rates and the Future Procedures for All Rate Changes.

X. OVERLOOKED ISSUES

No actions can be taken.

XI. ADJOURNMENT OF MEETING

This notice is posted in compliance with Government Code § 54954.2. The next Regular Meeting of the Resort Improvement District No.1 Board of Directors will be held on Thursday, September 19th, 2019, in the Fire Hall Meeting Room at 9:00 AM.

**RESORT IMPROVEMENT DISTRICT NO. 1
AND
SHELTER COVE SEWER AND OTHER
FACILITIES MAINTENANCE DISTRICT NO. 1**

Meeting Date: August 15, 2019 Agenda Item No.: IX. 1

Agenda Item Title: Clubhouse Rental Request.
Abalone Hall Fee waiver for a Pioneer's Cribbage Tournament to Be Held on September 7th, 2019.

Presented by: Jim Blewett

Type of Item: Action Discussion Information

Action Required: No Action Voice Vote Roll Call Vote

BACKGROUND:

Staff received the following request for renting Abalone Hall and kitchen requiring Board consideration. See attached document:

- a. Jim Blewett of Pioneers is requesting a rental fee waiver for a Cribbage Tournament to be held on September 7th, 2019.

FINANCIAL IMPACT:

Potential loss of rental revenue.

RECOMMENDATION:

Motion to waive fees for Pioneer's Cribbage Tournament to be held on September 7th, 2019.

**RESORT IMPROVEMENT DISTRICT NO. 1
AND
SHELTER COVE SEWER AND OTHER
FACILITIES MAINTENANCE DISTRICT NO. 1**

Meeting Date: August 15, 2019 Agenda Item No.: IX. 2

Agenda Item Title: Review and Approve District Year-End Financial Statements for 2017-2018
Prepared by Anderson, Lucas, Sommerville and Borges, LLP.

Presented by: Justin Robbins, General Manager, Barbara Guest, CPA.

Type of Item: Action Discussion Information
Action Required: No Action Voice Vote Roll Call Vote

BACKGROUND:

The board reviews the District’s draft annual audit report prepared by the auditor and implements any recommendations that it has. Included with this item are draft copies of the Comprehensive Annual Financial Report ending June 30, 2018. Final copies of the report will be made available after Board approval.

FINANCIAL IMPACT:

None.

RECOMMENDATION:

If there are no recommendations by the Board of Directors or Staff, a motion to accept the Comprehensive Annual Financial Report ending June 30, 2018 as presented.

**RESORT IMPROVEMENT DISTRICT NO. 1
AND
SHELTER COVE SEWER AND OTHER
FACILITIES MAINTENANCE DISTRICT NO. 1**

Meeting Date: August 15, 2019 Agenda Item No.: IX. 3

Agenda Item Title: CalPERS Unbudgeted Fund Request for Part-time Employees.

Presented by: Justin Robbins, General Manager

Type of Item: Action Discussion Information

Action Required: No Action Voice Vote Roll Call Vote

BACKGROUND:

CalPERS requires all employees who work more than 1000 hours a year to be immediately enrolled in the CalPERS retirement system. Two part-time employees have worked over the 1000-hour limit in past years and will have to become CalPERS members and be credited for all hours worked since the time they worked over this threshold.

FINANCIAL IMPACT:

As a penalty, the District will have to pay both employee and employers portions of contributions and other administration fees. CalPERS are evaluating the situation and the final costs are presently undetermined but will be approximately \$30,000 for the employee/employer portion of contributions.

RECOMMENDATION:

Motion to approve the unbudgeted expense of \$30,000 to cover unforeseen CalPERS membership fees for part-time employees working over 1000 hours per year in the past.

**RESORT IMPROVEMENT DISTRICT NO. 1
AND
SHELTER COVE SEWER AND OTHER
FACILITIES MAINTENANCE DISTRICT NO. 1**

Meeting Date: August 15, 2019 Agenda Item No.: IX. 4

Agenda Item Title: Consider Authorizing Unbudgeted Expense for Power Pole Line Relocation from Shelter Cove Road to Hillside Drive.

Presented by: Justin Robbins, General Manager

Type of Item: Action Discussion Information

Action Required: No Action Voice Vote Roll Call Vote

BACKGROUND:

In preparation for Humboldt County Public Works making repairs to the slip out on Shelter Cove Road, just below the General Store, the District must either upgrade the existing high voltage power line or relocate it alongside Hillside Drive. Upgrading the existing power line involves replacement of two poles with 70-foot poles to span the project site. This solution is not being recommended by staff as it is only temporary because erosion of the hillside is expected to carry on in the future. Relocation of the power line involves upgrades to existing poles and placement of additional poles and lines on the lower section of Hillside Drive. Relocation will permanently resolve future power line impacts from erosion on this stretch of road and vacant property owners along Hillside Drive will be able to utilize the new lines for future home development. A map will be made available prior to the board meeting.

FINANCIAL IMPACT:

The hardware for the relocation will be approximately \$50,000.

RECOMMENDATION:

Motion to approve the unbudgeted expense of \$50,000 to relocate the high voltage power lines from Shelter Cove Road to Hillside Drive.

**RESORT IMPROVEMENT DISTRICT NO. 1
AND
SHELTER COVE SEWER AND OTHER
FACILITIES MAINTENANCE DISTRICT NO. 1**

Meeting Date: August 15, 2019 Agenda Item No.: IX. 5

Agenda Item Title: Consider Authorizing Unbudgeted Expense for Surveying Several Easements and RID Properties.

Presented by: Justin Robbins, General Manager

Type of Item: Action Discussion Information

Action Required: No Action Voice Vote Roll Call Vote

BACKGROUND:

Surveys of District owned properties and public utility easements are needed for future development projects and greenbelt management. Sites include the newly acquired property on Bambi Court, easements on Hillside Drive for new power pole replacements and a greenbelt parcel on Beach Road.

FINANCIAL IMPACT:

Survey costs are expected to be \$20,000.

RECOMMENDATION:

Motion to approve the unbudgeted expense of \$20,000 for survey work.

**RESORT IMPROVEMENT DISTRICT NO. 1
AND
SHELTER COVE SEWER AND OTHER
FACILITIES MAINTENANCE DISTRICT NO. 1**

Meeting Date: August 15, 2019 Agenda Item No.: IX. 6

Agenda Item Title: Consider Revisions to the Monthly Water and Sewer Rates and the Future Procedures for All Rate Changes.

Presented by: Justin Robbins, General Manager.

Type of Item: Action Discussion Information

Action Required: No Action Voice Vote Roll Call Vote

BACKGROUND:

Changes to the monthly utility rate structure are needed due to all three utility departments operating at a deficit. The standard operating procedure for dealing with such deficits over the years has been to cover the shortfall with an allocation of property tax revenues but the ongoing reduction of property taxes due to the home value re-evaluations has limited the amount that can be used to supplement the utility departments. In addition to reductions in property taxes, the District's assessment and parcel taxes have also been reduced due to ongoing property mergers.

At last month's board meeting the Board directed staff to place an action item on this month's agenda to consider water and sewer rate revisions and consider future procedures for implementing monthly rate changes for each of the utilities, including electric.

See attached proposed monthly water and sewer rate sheets.

FINANCIAL IMPACT:

The proposed increases to the water and sewer utility rate structure will be phased in gradually over a five-year period. Water and sewer enterprises were traditionally supplemented by property tax assessments. The proposed sewer rate study does not include any supplement from assessment taxes. The proposed water rate does

RECOMMENDATION:

Motion to authorize staff to notify the public of the proposed water and sewer utility rate fee adjustments in the next District Newsletter and include a schedule for increasing utility rates as outlined by the Board and per legal requirements.

RID #1 Utility Rate Schedules (Proposed as of 6/7/19)									
Category of Service	Present Rates	Proposed 10/1/19			10/1/2020	10/1/2021	10/1/2022	10/1/2023	
ELECTRICITY					Change:	3.0%	3.0%	3.0%	3.0%
Residential Existing		Residential Proposed							
Service Charge (\$/Mo)	\$14.43	Service Charge	\$25.10	2.5%	\$25.85	\$26.63	\$27.43	\$28.25	
Capital Facility Charge (\$/Mo)	\$10.06								
Tier 1: 1 - 1,000 kWh (\$/kWh)	\$0.2200	Tier 1: 1 - 750 kWh	\$0.2200	Tiers and Rates	\$0.2266	\$0.2334	\$0.2404	\$0.2476	
Tier 2: 1,001 - 2,000 kWh (\$/kWh)	\$0.2700	Tier 2: 751 - 1,250 kWh	\$0.2700		\$0.2781	\$0.2864	\$0.2950	\$0.3039	
Tier 3: Over 2,000 kWh (\$/kWh)	\$1.2600	Tier 3: Over 1,250 kWh	\$0.5200		\$0.5356	\$0.5517	\$0.5682	\$0.5853	
Commercial Existing		Commercial Proposed							
Energy Cost (\$/kWh)	\$0.3100	Energy Cost	\$0.3177	2.5%	\$0.3272	\$0.3370	\$0.3472	\$0.3576	
Capital Facility Charge (\$/Mo)	\$10.06	Service Charge	\$10.92	8.5%	\$11.25	\$11.59	\$11.94	\$12.30	
10 kVA Transformer (\$/Mo)	\$13.83	10 kVA Transformer	\$14.18	2.5%	\$14.61	\$15.05	\$15.50	\$15.97	
15 kVA Transformer (\$/Mo)	\$20.76	15 kVA Transformer	\$21.27	2.5%	\$21.91	\$22.57	\$23.25	\$23.95	
25 kVA Transformer (\$/Mo)	\$22.86	25 kVA Transformer	\$35.45	55.1%	\$36.51	\$37.61	\$38.74	\$39.90	
37 kVA Transformer (\$/Mo)	\$51.69	37 kVA Transformer	\$52.47	1.5%	\$54.04	\$55.66	\$57.33	\$59.05	
50 kVA Transformer (\$/Mo)	\$69.17	50 kVA Transformer	\$70.90	2.5%	\$73.03	\$75.22	\$77.48	\$79.80	
75 kVA Transformer (\$/Mo)	\$103.76	75 kVA Transformer	\$106.35	2.5%	\$109.54	\$112.83	\$116.21	\$119.70	
100 kVA Transformer (\$/Mo)	\$138.33	100 kVA Transformer	\$141.80	2.5%	\$146.05	\$150.43	\$154.94	\$159.59	
150 kVA Transformer (\$/Mo)	\$207.50	150 kVA Transformer	\$212.70	2.5%	\$219.08	\$225.65	\$232.42	\$239.39	
225 kVA Transformer (\$/Mo)	\$311.29	225 kVA Transformer	\$319.05	2.5%	\$328.62	\$338.48	\$348.63	\$359.09	
WATER					Change:	3.0%	3.0%	3.0%	3.0%
Residential Existing		Residential Proposed							
Service Charge (\$/Mo)	\$21.01	Service Charge	\$25.00	Tiers and Rates	\$25.75	\$26.52	\$27.32	\$28.14	
Up to 500 cf (\$/Mo)	\$10.98	Up to 250 cf			\$3.61	\$3.72	\$3.83	\$3.94	
Tier 1: 501 - 2,000 cf (\$/ccf)	\$6.27	Tier 1: 251 - 1,000 cf	\$3.50		\$9.27	\$9.55	\$9.84	\$10.14	
Tier 2: Over 2,000 cf (\$/ccf)	\$9.40	Tier 2: Over 1,000 cf	\$9.00						
Commercial Existing		Commercial Proposed							
Service Charge (\$/Mo)	\$21.01	Service Charge	\$25.00	Tiers and Rates	\$25.75	\$26.52	\$26.52	\$26.52	
Up to 500 cf (\$/Mo)	\$10.98	Up to 250 cf			\$5.46	\$5.62	\$5.79	\$5.97	
Tier 1: 501 - 2,000 cf (\$/ccf)	\$6.27	Over 250 cf	\$5.30						
Tier 2: Over 2,000 cf (\$/ccf)	\$9.40								
SEWER					Change:	10.0%	10.0%	10.0%	10.0%
Residential Existing		Residential Proposed							
Single-Family (per home)	\$40.79	Single-Family (per home)	\$44.87	10.0%	\$49.36	\$54.30	\$59.73	\$65.70	
Multi-Family (per unit)	\$40.79	Multi-Family (per unit)	\$44.87	10.0%	\$49.36	\$54.30	\$59.73	\$65.70	
Residential Unit Equivalent (RUE)	\$18.20	RUE	\$20.02	10.0%	\$22.02	\$24.22	\$26.64	\$29.30	
Commercial Existing		Commercial Proposed							
Commercial "A" and "B"	\$40.79	All Commercial	\$44.87	10.0%	\$49.36	\$54.30	\$59.73	\$65.70	
Residential Unit Equivalent (RUE)	\$18.20	RUE	\$20.02	10.0%	\$22.02	\$24.22	\$26.64	\$29.30	

Proposed Water Rates and Projected Revenues:

	RESIDENTIAL							COMMERCIAL	RID Sewer	Totals	
	1 - 250	251-500	501 -1000	1001 - 1500	1501 - 2000	Above	Totals				
Tiers:											
Bill Cycles	2,668	1,662	1,286	345	126	168	6,255				
% of Cycles	43%	27%	21%	6%	2%	3%	100%	(First 250)			
CF	1,178,553	674,874	566,294	217,037	108,099	286,964	3,031,821	65,125	399,905	4,121,851	
% of CF	39%	22%	19%	7%	4%	9%	100%				
	# of Cycles Billed										
1) Actual FY17/18	7,050	6,000						288	288	Volume	
FY18 Actual	\$20.40	\$10.66	\$6.09	\$6.09	\$6.09	\$9.13	\$4.76	\$20.40	\$10.66	\$6.50	
	\$143,820	\$63,960	\$34,487	\$13,218	\$6,583	\$26,200	\$288,268	\$5,875	\$3,070	\$27,148	
2) Projected FY18/19	7,050	6,000					\$4.91	288	288		
FY19 Projected	\$21.01	\$10.98	\$6.27	\$6.27	\$6.27	\$9.40	1.030	\$21.01	\$10.98	\$6.69	
	\$148,121	\$65,880	\$35,507	\$13,608	\$6,778	\$26,975	\$296,868	\$6,051	\$3,162	\$27,962	
3) Projected FY19/20	7,050	6,000					\$5.05	288	288		
FY20 Projected	\$21.64	\$11.31	\$6.46	\$6.46	\$6.46	\$9.68	1.030	\$21.64	\$11.31	\$6.89	
	\$152,564	\$67,856	\$36,572	\$14,016	\$6,981	\$27,784	\$305,774	\$6,232	\$3,257	\$28,801	
4) IGS Recommended	7,050	volume					\$3.25	288	288		
IGS Recommended FY20	\$25.00	\$3.50	\$9.00	\$9.00	\$9.00	\$9.00		\$25.00	\$5.30	\$5.30	
	\$176,250	\$23,621	\$19,820	\$19,533	\$9,729	\$25,827	\$274,780	\$7,200	\$21,195	\$28,395	
Total cf:	3,031,821	FY20 total \$:	\$274,780				Residential Reduction:		Commercial Reduction:	24%	
Less up to 250 cf:	-1,178,553	Less 250 \$:	-\$176,250								
cf and \$ above base Average	1,853,268		\$98,530								
			\$5.32								
NOW:	Res includes 500 CF for \$20.40 + \$10.66 = \$31.06. Tiers 500 / 2000 / above										
PROPOSED:	Residential includes 250 cf for \$25, then goes to Tiers 250-500, 500-1,000, and above										
	250 cf for \$25, then fixed rate										

Proposed Sewer Rates and Projected Revenues:

RID Sewer Enterprise Rates and Projected Revenues								
1	FY18 Revenue							
		Cust Count	RUE	Rate	Monthly \$	Annual \$	Annual \$	
	Com Fixed	30		\$39.60	\$1,188	\$14,256		
	Com RUE		74	\$17.67	\$1,308	\$15,691	\$29,947	
	Residential	470		\$39.60	\$18,612	\$223,344	\$223,344	
		500				\$253,291	\$253,291	
2	FY19 Projected Revenue							
		Cust Count	RUE	Rate	Monthly \$	Annual \$	Annual \$	
	Com Fixed	30		\$40.79	\$1,224	\$14,684		
	Com RUE		74	\$18.20	\$1,347	\$16,162	\$30,846	
	Residential	470		\$40.79	\$19,171	\$230,056	\$230,056	
		500				\$260,902	\$260,902	3.00%
3	FY20 Projected Revenue with CPI inc			3.00%				
		Cust Count	RUE	Rate	Monthly \$	Annual \$	Annual \$	
	Com Fixed	30		\$42.01	\$1,260	\$15,125		
	Com RUE		74	\$18.75	\$1,387	\$16,646	\$31,771	
	Residential	470		\$42.01	\$19,746	\$236,957	\$236,957	
		500				\$268,729	\$268,729	3.00%
4	IGS Recommended FY19/20 Rates			10.00%				
		Cust Count	RUE	Rate	Monthly \$	Annual \$	Annual \$	
	Com Fixed	30		\$44.87	\$1,346	\$16,153		
	Com RUE		74	\$20.02	\$1,481	\$17,778	\$33,931	
	Residential	470		\$44.87	\$21,088	\$253,061	\$253,061	
		500				\$286,992	\$286,992	10.00%